

KANSAS DEPARTMENT OF CREDIT UNIONS
FORMS AND PROCEDURES FOR MERGER AGREEMENT
OF KANSAS CHARTERED CREDIT UNIONS (K.S.A. 17-2228)

Step I. (Working out the Agreement)

- A. Both credit unions agree to terms and conditions of a *Merger Agreement (Form #1)* in cooperation and communication with the Administrator, Kansas Department of Credit Unions (KDCU).
 - B. Two copies of *Form #1* are made.
 - C. Directors of both merging and continuing credit unions sign both copies of *Form #1*.
 - D. Both copies are sent to the Administrator, KDCU within one month after agreement is signed. In addition to *Form #1*, the most recent financial statement for both credit unions is sent to the Administrator, KDCU .
 - E. KDCU Administrator approves or disapproves the agreement within one month after receipt of agreement.
 - F. KDCU Administrator does the following:
 - 1. Retains both copies of *Form #1* and credit union financial statements in KDCU files until merger is complete.
 - 2. Notifies National Credit Union Administration and requests their approval, since all Kansas credit unions are insured by NCUSIF.
 - 3. Notifies the credit unions they may proceed with the membership meetings.
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Step II (Meeting of Members)

Each credit union shall proceed with the membership meeting procedure, after notification from the KDCU Administrator.

- A. The continuing and merging credit unions both use *Form #3* to inform members by either bulletin board notice or mailed notice (or both) in accordance with the credit union's bylaws; K.S.A. 17-2207 and K.S.A. 17-2228.
 - B. The continuing credit union uses *Form #4* to inform members if a field of membership expansion is needed. *Form #3* may be used if no field of membership expansion is required. The method of notice and applicable bylaws and state laws are the same as in "A" above.
 - C. If the continuing credit union requires a field of membership expansion, *Form #5* should be used for the bylaw amendment.
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Step III (At the Special Meeting of Members)

- A. Meeting is called to order.
 - B. Eligible voting members in attendance are identified and totaled.
 - C. Quorum determined.
 - D. Purpose of meeting stated.
 - E. Motion and second to approve the proposed Merger Agreement is made.
 - F. Discussion.
 - G. Vote (note: a simple majority of those present is needed for passage).
 - H. Votes are tallied.
 - I. Results stated.
 - J. Adjournment.
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Step IV (Reporting the Results of the Meeting)

- A. The continuing credit union remits to KDCU Administrator:
 - 1. *Certificate of President and Secretary*, properly notarized (*Form #6*).
 - 2. A true copy of *Notice of Special Meeting* (either *Form #3*, or *Form #4* as applicable).
 - 3. *Bylaw Amendment for Expanding Field of Membership*, if applicable (*Form #5*).
 - B. The merging credit union remits to KDCU Administrator:
 - 1. *Certificate of President and Secretary*, properly notarized (*Form #6*).
 - 2. A true copy of *Notice of Special Meeting* (*Form #3*).
 - 3. *Certificate of Dissolution* (*Form #7*).
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Step V (KDCU Administrator Actions to Complete the Procedures)

- A. Provides a complete set of merger *agreement* and all related papers, with *Form #8* attached, to both credit unions, the Kansas Credit Union Association and the National Credit Union Administration.
- B. Files *Certificate of Dissolution (Form #7)* with the Register of Deeds and the Kansas Secretary of State.
- C. Directs merging credit union to remit any remaining books and records to the continuing credit union.

MERGER AGREEMENT

The _____ Credit Union, hereinafter referred to as "merging credit union", and the _____ Credit Union, hereinafter referred to as "continuing credit union", hereby agree to the merger of all assets and liabilities of merging credit union per the following terms and conditions of the merger:

1. The effective date of this merger shall be _____, 20____.
2. Prior to the effective date, each of the credit unions shall vote on this merger agreement in accordance with K.S.A. 17-2228.
3. Prior to the effective date, the continuing credit union shall:
 - A. Amend its bylaws to enlarge the field of membership of the continuing credit union to include the following language defining the field of membership as:
 - B. Elect all of the merging credit union's members into membership in the continuing credit union.
4. Prior to the effective date, the Board of Directors of the continuing credit union shall appoint, for a term of one year, a _____ person advisory committee from among the members of the merging credit union to assist and counsel the continuing credit union in its efforts to best serve the members of the continuing credit union.
5. The following employees of the merging credit union shall continue to serve as employees of the continuing credit union until _____, 20____:

_____.

The following employees of the merging credit union shall become employees of the continuing credit union as of _____, 20____:

_____.

The factors for their employment are as follows:

6. Other provisions:

7. On the effective date of this agreement and upon approval of both credit unions and the Administrator, Kansas State Department of Credit Unions:

- A. All obligations owing to the merging credit union shall by virtue of this agreement and the laws of Kansas, become obligations to the continuing credit union and the continuing credit union may use any lawful procedure to bring about collection or enforcement of such obligations and may sue to collect in the name of the continuing credit union.
- B. All assets of the merging credit union shall be the property of the continuing credit union without any further act or deed.
- C. All share accounts of the merging credit union shall be share accounts in the continuing credit union at the amount evidenced by the records of the merging credit union and the records of the members of the merging credit union.
- D. All undivided earnings and all reserves shall be added to the undivided earnings and reserves of the continuing credit union.
- E. The continuing credit union shall compute interest due and paid or payable on obligations due the merging credit union with the same continuity as if no transition or sale had occurred and in the same manner as if the obligation continued to be to the merging credit union.
- F. The continuing credit union shall have the option of continuing loan numbers and passbook numbers or changing such numbers.

- G. All joint tenancy share account agreements shall continue unimpaired by the merger and shall continue to be in effect toward the continuing credit union as formerly to the merging credit union.
- H. The following factors relating to member insurance coverage's will go into effect:
- I. All liabilities of the merging credit union shall become liabilities of the continuing credit union without further act or deed.
- J. The continuing credit union will be responsible for the preparation and filing of the final employer's tax return with the U.S. Internal Revenue Department and with the Kansas Department of Revenue for the period of time from _____, 20____, to _____, 20____, and will pay the necessary FICA and Employer's Withholding Tax for that period. The continuing credit union will be responsible for completing and filing all tax and government reports related to the closing of the merging credit union.
8. This merger shall become binding on each of the credit unions on the effective date.
9. The officers and committee members and board of directors of the merging credit union shall serve only until the effective date of the merger.
10. It is expressly stated by the parties hereto that this merger is being carried out under the terms and provisions of K.S.A. 17-2228 and amendments thereto of the State of Kansas.
11. By the adoption of this agreement by the shareholders of the merging credit union, the Secretary of State for the State of Kansas and any and all other governmental authorities, are instructed to accept this as the resolution of dissolution of the corporation known as the _____ Credit Union.

12. This agreement is made with the understanding that the financial statements of the two credit unions are correct and represent the true financial condition of the credit unions on the dates shown.

Approved by the _____ Credit Union this _____
(continuing credit union)

day of _____, 20_____.

_____ Credit Union

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

I, _____, Secretary of the
_____ Credit Union, do hereby certify that the above are the
signatures of the (entire/majority) of the Board of Directors of the _____
Credit Union, and that their signatures were affixed above on this _____ day of
_____, 20_____.

Secretary

Approved by the _____ Credit Union this _____
(merging credit union)

day of _____, 20____.

Credit Union

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

I, _____, Secretary of the
_____ Credit Union, do hereby certify that the above are the
signatures of the (entire/majority) of the Board of Directors of the _____
Credit Union, and that their signatures were affixed above on this _____ day of _
_____, 20____.

Secretary

**CERTIFICATE OF APPROVAL BY THE
ADMINISTRATOR,
KANSAS DEPARTMENT OF CREDIT UNIONS**

I, _____, Credit Union Administrator for the State of Kansas, do hereby certify my approval of the above *Merger Agreement* between _____
_____ Credit Union (merging credit union), and _____
Credit Union (continuing credit union), in accordance with the provisions of K.S.A. 17-2228 and amendments thereto, this _____ day of _____, 20____.

Credit Union Administrator

**NOTICE OF SPECIAL MEETING TO APPROVE
MERGER AGREEMENT BETWEEN**

_____ CREDIT UNION

AND

_____ CREDIT UNION

You are hereby notified that there will be a special meeting of the
_____ Credit Union to be held _____,
20____ at _____, at _____
(A.M. or P.M.)
_____, in the city of _____, Kansas.

The purpose for the meeting will be to act upon a *Merger Agreement* to
provide for the merger of the _____
Credit Union.

The effect of such *Merger Agreement* shall be a transfer of all assets and
liabilities of _____ Credit Union which shall
thereafter be dissolved by _____ Credit Union.

_____ Credit Union

By: _____ Secretary

**NOTICE OF SPECIAL MEETING TO APPROVE
MERGER AGREEMENT BETWEEN
_____ CREDIT UNION
AND
_____ CREDIT UNION;
AND TO APPROVE A BYLAW AMENDMENT
TO ENLARGE THE FIELD OF MEMBERSHIP
OF _____ CREDIT UNION**

You are hereby notified that there will be a special meeting of the
_____ Credit Union to be held _____, 20____,
at _____, at _____
(A.M. OR P.M.)
_____, in the city of _____, Kansas.

The purpose for the meeting will be to act upon a *Merger Agreement* to provide for
the merger of the _____ Credit Union.

The effect of such *Merger Agreement* shall be a transfer of all assets and liabilities
of _____ Credit Union which shall thereafter be dissolved by
_____ Credit Union. A copy of the *Merger Agreement* to
be acted on is attached to this notice. Also, to amend the bylaws by the enlarging of the
field of membership of _____ Credit Union to include the following
language:

_____ Credit Union

By: _____ Secretary

CERTIFICATE OF AMENDMENT

This is to certify that at a (special or annual) meeting of the shareholders of the _____ Credit Union held at _____, in the city of _____, Kansas, on the _____ day of _____, 20 ____, legal notice having been given, that the following amendment to the bylaws was to be submitted, and a quorum being present, the following resolution was adopted by at least three-fourths (3/4) vote of all members present: Article III, Section 1 of the existing bylaws be repealed and Article III, Section 1 read as follows:

Credit Union

Chairperson/President of the Board

Secretary/Treasurer

Approved this _____ day of _____, 20 _____.

Credit Union Administrator, State of Kansas

CERTIFICATE OF PRESIDENT AND SECRETARY OF THE
_____ CREDIT UNION

We, the undersigned, president and secretary of the above named credit union, do hereby certify to the Credit Union Administrator of the State of Kansas as follows:

1. That a copy of the *Merger Agreement* and the proposed bylaw changes attached to the *Notice of Special Meeting* were posted on the bulletin board, in writing, at least seven (7) days before the special meeting called by said notice.
2. That there is attached to this certificate a true copy of the *Notice of Special Meeting* along with the attachments to the *Notice of said Special Meeting* as posted on the bulletin board.
3. That pursuant to the notice as referred to herein and as described herein, a special meeting of this credit union was duly held at the time and place fixed in the notice to consider and act upon the proposal for the merger of the said credit union by the *Merger Agreement*, and in addition hereto, said special meeting considered at the same time and place, the bylaw amendments provided for in said notice.
4. That the said *Merger Agreement* and the bylaw amendments were fully explained to the members present at said special meeting at the time and place set out in the notice.
5. That on the said date of the said special meeting of the members, there were _____ members of this credit union qualified to vote; _____ members were present at the said meeting; of those members present, _____ members voted in favor of the said *Merger Agreement*; and _____ members voted against the *Merger Agreement*; _____ members voted in favor of the bylaw amendments; and _____ members voted against the said bylaw amendments; and without duplication of vote, more than three-fourths (3/4) of the members of this credit union present at the meeting approved all the bylaw amendments proposed at the said meeting as provided in the notice and a majority of the credit union members present approved the *Merger Agreement* referred to herein.
6. That the said action of the members of this credit union at the special meeting is fully and completely recorded in the minutes of said meeting.

Form #6

Witness our hands this _____ day of _____, 20____.

President

Secretary

State of Kansas)
) ss:
County of)

We, _____, President and _____,
Secretary, of the above named credit union, do hereby certify that we have read the above and
foregoing certificate of the president and secretary of the _____
Credit Union, and we know and are fully familiar with the contents thereof, and that all matters
and things therein contained are true and correct to the best of our knowledge and belief.

President

Secretary

Subscribed and sworn to before me this _____ day of _____, 20____.

My appointment expires: _____

Notary Public

CERTIFICATE OF DISSOLUTION

We, the undersigned, constituting (all/majority) of the board of directors of the _____ Credit Union, do hereby certify that all the terms and conditions of a certain paper designated as a Merger Agreement, which Merger Agreement provides for an effective date of _____, 20____, and which so called Merger Agreement provisions have been fully complied with by the _____ Credit Union, all as required by K.S.A. 17-2228 and amendments thereto.

We do hereby further certify that all assets and liabilities have been merged pursuant to the Merger Agreement. We do hereby further certify that all provisions of the Merger Agreement and all provisions of the law of the State of Kansas, of which we have any knowledge, have been fully complied with insofar as we are empowered by law to do so.

We do hereby declare the _____ Credit Union dissolved and hereby surrender the corporate charter of the _____ Credit Union to the State of Kansas, this _____ day of _____, 20 _____.

President_____
Vice-President_____
Secretary_____
Treasurer_____
Director_____
Director_____
Director

I, _____, Secretary of the _____ Credit Union, do hereby certify that the above are the signatures of the (all/majority) of the board of directors of the _____ Credit Union, this _____ day of _____, 20____.

Secretary

Subscribed and sworn to before me this _____ day of _____, 20____.

My appointment expires: _____

Notary Public

CERTIFICATE OF THE CREDIT UNION ADMINISTRATOR

I, _____, Credit Union Administrator of the State of Kansas, do hereby certify that the _____ Credit Union has fully complied with all the necessary action to merge the _____ Credit Union as provided by the Merger *Agreement* with the effective date of _____, 2003, and I do hereby certify that the requirements of law for the dissolution of the _____ Credit Union have been fulfilled insofar as is compatible with the other provisions of the law for a Merger *Agreement*.

And I do hereby declare said _____ Credit Union dissolved and declare its corporate charter surrendered this _____ day of _____, 2003.

Credit Union Administrator